

Introduced by: Councilmember Seamens

First Reading: July 18, 2005

Second Reading: July 25, 2005

Effective Date: July 1, 2005

ORDINANCE NO. 2005-23

(An Ordinance Authorizing the City to Enter Into an Agreement with MHP Edinburgh House, Inc. for a Payment in Lieu of Taxes for the Property at 7513 Maple Avenue)

WHEREAS, MHP Edinburgh House, Inc., a nonprofit corporation and a subsidiary of the Montgomery Housing Partnership, Inc., is the owner of the Edinburgh House apartments located at 7513 Maple Avenue, Takoma Park, Maryland; and

WHEREAS, the Edinburgh House apartments provide affordable housing to residents with low and moderate incomes; and

WHEREAS, approximately 89% of the apartments at the Edinburgh House are currently occupied by households with incomes of less than 80% of the Montgomery County median household income; and

WHEREAS, the Council supports the provision and protection of affordable housing in the City; and

WHEREAS, in order to ensure that the Edinburgh House continues to serve low and moderate income residents, MHP Edinburgh House, Inc. will agree with the City that at least 50% of the apartments rented at the Edinburgh House on or after August 1, 2005, will be occupied by low or moderate income households; and

WHEREAS, under Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, a nonprofit tax-exempt corporation that operates or manages rental housing that serves low-income households may be eligible under certain conditions to make a payment in lieu of taxes ("PILOT") on the real property; and

WHEREAS, MHP Edinburgh House, Inc. has represented that it qualifies under the provisions of Section 7-503 to enter into an agreement with the City to pay a negotiated amount in lieu of City real property taxes on the Edinburgh House; and

WHEREAS, on August 22, 1995, the City entered into a PILOT Agreement with MHP Edinburgh House, Inc. which expired on June 30, 2005; and

WHEREAS, MHP Edinburgh House, Inc. has requested an extension and modification of the 1995 PILOT Agreement with the City and a 50% reduction in City real property taxes on the Edinburgh House; and

WHEREAS, the Council finds that a PILOT Agreement with MHP Edinburgh House, Inc., providing for the payment of 50% of City real property taxes for the Edinburgh House for a period of five years, serves a public purpose and promotes the peace, health, and general welfare of the City and its residents by preserving affordable housing for residents with low and moderate incomes.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND.

SECTION 1. The Council approves a payment in lieu of taxes agreement with MHP Edinburgh House, Inc. for the property known as Edinburgh House apartments at 7513 Maple Avenue, Takoma Park, Maryland as follows:

- A. For tax levy years 2005 through 2009, MHP Edinburgh shall pay to the City in lieu of City real property taxes an amount equal to 50% of the amount of City real property tax on the property known as Edinburgh House apartments at 7513 Maple Avenue, Takoma Park, Maryland; and
- B. A minimum of 50% of the units of the Edinburgh House apartments leased to new tenants by MHP Edinburgh on or after August 1, 2005, shall be occupied by low or moderate income households (*i.e.*, households with incomes less than 80% of the Montgomery County median household income).

The City Manager is authorized to enter into a PILOT Agreement on behalf of the City with MHP Edinburgh House, Inc., under the provisions of Section 7-503(a) of the Tax-Property Article of the Annotated Code of Maryland, for the property known as Edinburgh House apartments at 7513 Maple Avenue, Takoma Park, Maryland and to take such actions and execute such documents as are necessary in order to carry out the purposes of this Ordinance.

SECTION 2. This Ordinance shall be effective on July 1, 2005, which was the beginning of tax levy year 2005.

Adopted this 25th day of July, 2005, by roll-call vote as follows:

Aye: Porter, Austin-Lane, Ritzo, Seamens, Williams
Nay:
Absent: Elrich, Barry
Abstain: